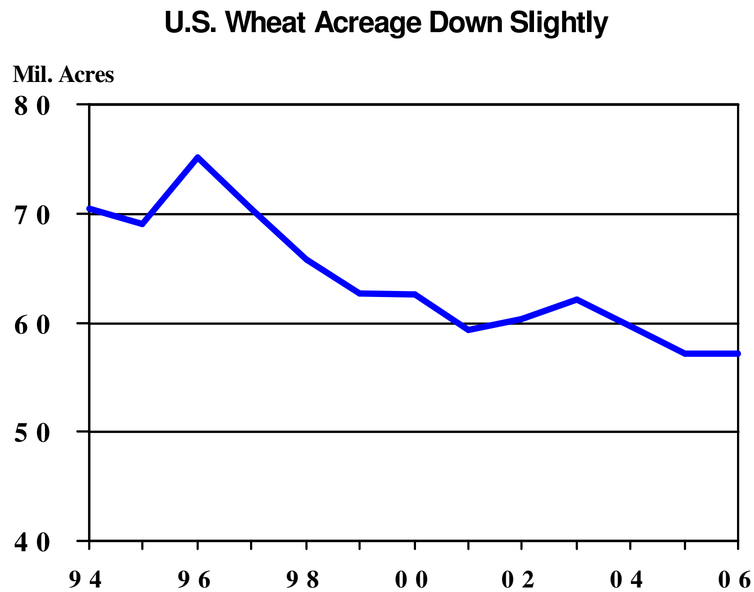
WHEAT: WORLD MARKETS AND TRADE

MONTHLY HIGHLIGHTS:

U.S. All-Wheat Acreage Down Slightly: Wheat planted area is expected to continue to decline in 2006, as stated in the NASS Prospective Plantings report on March 31. If realized, it would be the lowest wheat area in more than 30 years. Winter area was up, as better planting conditions allowed for a large increase in Soft Red Winter.

However, this is more than offset by smaller spring area, primarily durum. Durum area is expected to fall by a third to the lowest level since 1961. Canada is also expecting a large decline in durum area, as large stocks and low prices make other crops more attractive.



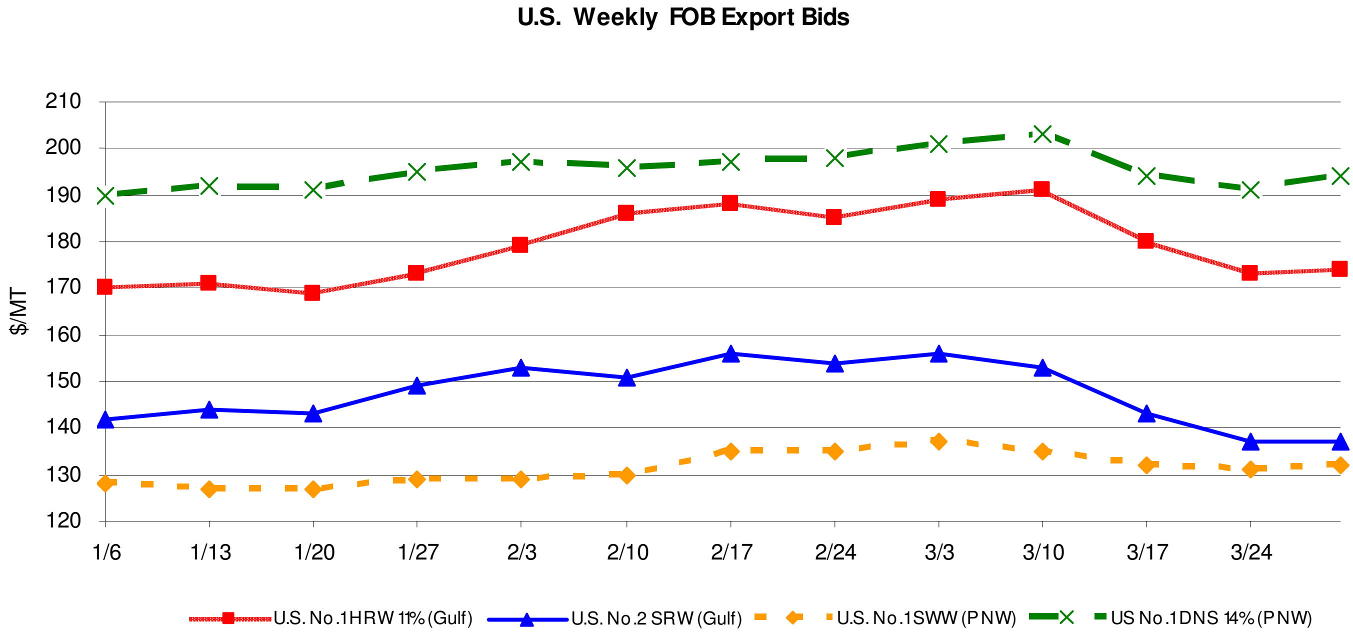
PRICES:

Domestic: Prices dropped for all wheat classes in March, driven largely by rains and an improving outlook for the Hard Red Winter crop. For the month, HRW prices fell $15 per ton, with SRW down $19 per ton, HRS down $7 per ton and Soft White down $5 per ton.

TRADE CHANGES IN 2005/2006

Selected Exporters

- **Paraguay** is up 200,000 tons to 500,000 on very strong sales to date to Brazil.



Selected Importers

- **China** is down 200,000 tons to 1.3 million as imports have waned in recent months.
- **Georgia** is up 200,000 tons to 850,000 tons with larger-than-expected imports from Russia.
- **Jordan** is up 200,000 tons 900,000 tons on robust imports from the EU and purchases from Syria.
- **Sudan** is up 300,000 tons to 1.4 million, with larger-than-expected imports from Australia and the United States.
- **United States** is down 100,000 tons to 2.3 million with smaller than expected shipments from Canada despite the elimination of duties.